



Written by [William P. Hoar](#) on August 17, 2009

## Washington Gives Us the Treatment

Item: The New York Times for July 30 reported that the White House and other supporters of overhauling the U.S. healthcare system are being met by resistance, charging that this legislative move is a “risky experiment” or “a government takeover of health care that would prevent people from choosing their own doctors.” President Barack Obama “is making an intense effort to rebut those claims. On Wednesday, he flew to Raleigh, N.C., for a town-hall-style meeting to address the kinds of public concerns reflected in the poll results.”



*“First of all,’ Mr. Obama said, ‘nobody is talking about some government takeover of health care. I’m tired of hearing that. I have been as clear as I can be. Under the reform I’ve proposed, if you like your doctor, you keep your doctor; if you like your health care plan, you keep your health care plan. These folks need to stop scaring everybody, you know?’”*

**Item:** Syndicated columnist Paul Krugman, writing in the Salt Lake Tribune for July 31, argued that, in the United States, “government involvement is the only reason our [healthcare] system works at all.” If you “currently have decent health insurance, thank the government.”

*Krugman continued:*

*Right-wing opponents of reform would have you believe that Obama is a wild-eyed socialist, attacking the free market. But unregulated markets don’t work for health care — never have, never will. To the extent we have a working health care system at all right now it’s only because the government covers the elderly, while a combination of regulation and tax subsidies makes it possible for many, but not all, nonelderly Americans to get decent private coverage.*

*Now Obama proposes using additional regulation and subsidies to make decent insurance available to all of us. That’s not radical; it’s as American as, well, Medicare.*

**Correction:** If you ran across a mammoth sinkhole into which people were being forced to throw tax dollars — let’s call it Medicare and note that the government itself says it faces bankruptcy in one short decade — would it occur to you to fix the situation by blasting that hole even deeper and coercing additional workers to shovel in greenbacks even faster? And then try to convince those doing the work that this would be a good way to save money?

Well, you might if you were the president or another supporter of nationalized healthcare. You might also blame the makers of the shovels for the situation in the same fashion the “evil” insurance industry is being portrayed as the villain in the current reform frenzy. Or you could try to shift the subject to those doing the shoveling, faulting them for being, say, too obese to fill in the pit caused by the explosion of mandated government spending.

The current healthcare system in this country has plenty of faults, but it’s been proven time and again



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that there is no problem so grave that more government intervention can't make it even worse.

Searching for scapegoats, the president is calling out as scaremongers those who won't fall into line behind the passage of his hugely expensive legislation — costing the equivalent of the entire Brazilian economy. The bill being worked on in Washington runs to about a billion dollars a page — and represents more than the outlays of the entire U.S. government as late as 1986 or 1994 (depending on which of the shifting pieces of legislation are involved).



How is the president making his case? With well-reasoned facts? Nope. He's doing it by trying to frighten the bejabbers out of the public. The president has even charged that many doctors now perform tonsillectomies that aren't needed, presumably to drive up their payments. One gathers that this will change when bureaucrats are calling the shots.

Right after his railing against those advising caution, because, supposedly, those opposed to Obamacare are merely trying to scare the public, Obama himself resorted to scare tactics. If the nation fails to act, he divined, "I can almost guarantee you your premiums will double over the next 10 years," and you may not get a raise at your job to boot. The president keeps saying, for example: "If we do not reform health care, your premiums and out-of-pocket costs will continue to skyrocket. If we do not act, 14,000 Americans will continue to lose their health insurance every single day. These are the consequences of inaction." (Of course, Obama doesn't explain that the 14,000 "losing their health insurance" are mainly victims of other government malfeasance that has cratered the economy, such as job losses caused by government-subsidized immigrant workers and U.S. regulatory compliance costs that in 2006 were 31.7 percent higher than those of our nine largest trading partners.)

Yet, supporters of the president's reforms are advocating legislation that will tend to force employers away from providing healthcare benefits. Indeed, should you lose such benefits, the Democrats have also proposed that you not be able to buy a new private policy because they want you in a public plan.

If you really want what amounts to a nationalized, government-run HMO, you'll love the Democrats' plans, which would lead to long lines, high costs, more taxes, and rationed care.

That is the considered view of many in the profession willing to look beyond the rhetoric in Washington. "This is war," commented George Watson, the president-elect of the Association of American Physicians and Surgeons. "This is a bureaucratic boondoggle to grab control of health care. Everything that has been proposed in the 1,018 page-bill will contribute to the ruination of medicine." The doctor noted that the legislation is crammed with rules and regulations that will result in shoddy care and lengthy waiting lines. A provision that would coerce doctors who contracted with Medicare into the nationalized plan is a "trap" that he compared to "involuntary servitude."

The White House disputes all of this of course. The president has praised the Mayo Clinic, among others, as a model for the nation, lauding its high-quality care "at costs well below the national norm."



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From his enthusiasm, you might think that his administration was itself responsible for such success. The reality is a bit different. “The Mayo Clinic and 12 other top health-care-delivery outlets just sent Congress a letter,” wrote Grace-Marie Turner, president of the Galen Institute, in the *New York Post*, “warning that the bill that already has passed two committees in the House would put them out of business.”

Do we really want healthcare run by those who have displayed the efficiency of the DMV and Postal Service and the compassion of the IRS? After all, the government already has a track record. Do we want to empower on a larger scale those who have been administering the long-suffering VA and Indian Health services and who have pushed Medicare and Medicaid to the brink of insolvency and beyond? Still, *Time* magazine asks plaintively in its recent cover story, “Can Obama Find a Cure?” as if the former community organizer were a medical research scientist on the verge of some grand discovery.

The government does not want true private competition. Indeed, ever-dependable columnist Krugman declares it impossible to have free-market healthcare. Yet, the consequences of the proposed public alternative, in rather short order, would not be pretty. Writes Michael Cannon, director of health policies studies at the Cato Institute:

After the Congressional Budget Office estimated that as many as 15 million Americans could lose their existing coverage under Senator Kennedy’s legislation, the Associated Press reported, “White House officials suggest the president’s rhetoric [about being able to keep your plan, no matter what] shouldn’t be taken literally.”

Indeed, a new government program would literally oust millions of Americans from their current health plans and threaten their relationships with their doctors, as employers choose to drop their current employee health plans and as private health plans close down. A Lewin Group analysis estimated that Obama’s campaign proposal would move 32 million Americans into a new government-run plan. Lewin subsequently estimated that if Congress used Medicare’s price controls and opened the new program to everyone, it could pull 120 million Americans out of private insurance — more than half of the private market. The share of Americans who depend on government for their health care would rise from just over one-quarter to two-thirds.

The reformers have their eye fixed on more than bringing down the insurance industry. Big-government advocates literally want to run our lives — for our own good, of course. They are also willing to tax almost anything to herd us around as they so desire. Consider an all-too-typical example, from a healthcare blog in the *Los Angeles Times* for July 27. The piece, called “Tough love for fat people: Tax their food to pay for healthcare,” urged the United States to “adopt extensive menu- and food-labeling changes that would make ‘good foods’ easily distinguishable from the bad ones subject to added taxes. Not to worry though: Several European countries, most notably Great Britain, have led the way in this area.”

Yes, that’s the same no-so-great Britain where the Orwellian-nicknamed National Institute for Health and Clinical Excellence (NICE) board decides what treatments should be funded by the government based on an accounting statistic that measures, in terms of pounds, how much your life is worth.

Nevertheless, continued the *Los Angeles Times* do-gooder:

And here’s the payoff: Conservatively estimated, a 10% tax levied on foods that would be defined as “less healthy” by a national standard adopted recently in Great Britain could yield \$240 billion in its first five years and \$522 billion over 10 years of implementation — if it were to begin in October



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2010. If lawmakers instituted a program of tax subsidies to encourage the purchase of fresh and processed fruits and vegetables, the added revenue would still be \$356 billion over 10 years.

Meanwhile, the legislation being foisted on the public has a lot in it other than what treatments you might be allowed. The Association of American Physicians and Surgeons has noted that there are even provisions for home visits that could provide parental counseling with Washington's wishes about "increasing birth intervals between pregnancies" — which probably translates quite easily into Chinese since it sounds suspiciously like Beijing's program.

Collectivism is key to Washington's legislative occupation of what should be personal business. Intrusive and expensive government, contrary to columnist Krugman, is actually behind virtually all of the ills of the system. As Sheldon Richman explained in an article for the Foundation for Economic Education:

Nearly every aspect of medicine and health insurance that the politicians say needs fixing is the result of politicians' previous attempts to fix something. Much of the escalation of prices comes from consumer demand that is freed from normal cost constraints thanks to third-party payers: government-privileged insurance companies, Medicare, and Medicaid. While that intervention boosts demand by eliminating cost consciousness, others constrict supply: occupational licensing, insurance mandates and barriers to entry, patents on drugs and devices, FDA regulations, certificate-of-need requirements, and more.

With each so-called reform, we (in reality, they, the politicians) made things worse. It's time we — collectively — stopped trying to reinvent the medical and insurance industries. Instead that task should be left to us individually — acting, transacting, competing, and cooperating in the marketplace. Only then will solutions emerge from people's — not politicians' — choices, as entrepreneurs (neither aided nor impeded by the State) pursue profit by producing goods and services that make us better off.

The reforms that are really needed involve less government, not more. Yet, the prescription being written for the United States by Dr. Obama and his congressional orderlies would insinuate Washington even deeper into healthcare matters. It would cost us in many ways. The added tax burden would be both direct and indirect. One method of financing in the House version of the legislation is what amounts to a jobs tax; the business levy would hurt those the reformers profess they want to help. Those workers who might "gain health insurance from ObamaCare," observed the *Wall Street Journal*, "will pay the steepest price for it in either a shrinking pay check, or no job at all."

That knock on the door is ominous; it's a snake-oil salesman from Washington who says he's got a cure-all. The government will simply lend a hand, we are told. We've been sold that bill of goods before. It is a mistake to believe, as proven by long, repeated, and painful experience, that Uncle Sam can open his wallet and let you keep yours closed.



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